

MINISTER FOR LAW, MR K SHANMUGAM'S RESPONSE TO MPS CHIAM SEE TONG AND CHRISTOPHER DE SOUZA ABOUT THE INTERNATIONAL ARBITRATION (AMENDMENT) BILL IN PARLIAMENT ON 19 OCTOBER 2009

I would like to thank Mr de Souza and Mr Chiam for their support on the Bill.

2 If I can pick up Mr Chiam's points first. I think there are a couple of points that Mr Chiam made. We need to build up our reputation as a fair and honest place, and that an arbitrator's fairness and ability are key in any arbitration. I entirely agree, and that is what we have been working on for a very long time. And international rankings which rank both Singapore's judiciary as a top class centre and emphasising Rule of Law, and specific to arbitration that we are one of the top six destinations in the world, speak volumes for that. We are now recognised as a top centre for arbitration where Rule of Law is paramount, and where people can come and get a good arbitration service as a whole suite, with an excellent panel of arbitrators. And if they are not happy with them, they can choose whom they want and also they can appoint as counsel anyone from the world, and we provide the framework for that. And so, it is an extremely arbitration-friendly jurisdiction which is recognised throughout the world now.

3 Now as Mr de Souza pointed out, these amendments are part of our larger initiative to ensure that Singapore continues to be a leading destination for international arbitration work. The power of the courts to grant relief in support of foreign arbitration may be considered as an essential element of a complete and well-ordered international arbitration regime. Such a power is also seen as consistent with the spirit of the New York Convention. It also recognises party autonomy and gives full support to the party's intention to have their dispute resolved by the forum of their choice.

4 Sir, ensuring that our legislative framework remains up-to-date is just one of the facets in our effort to develop a world-class ecosystem for arbitration.

5 As Mr de Souza highlighted, we are privileged to have been able to attract the American Arbitration Association's International Centre for Dispute Resolution (ICDR) and the Permanent Court of Arbitration (PCA), as well as the UN World Intellectual Property Organization to our shores.

6 We are also very pleased to note that our Singapore International Arbitration Centre (SIAC) is gaining wide acceptance internationally. This March, an international blue-ribbon Board (nine members from seven different countries) was appointed to helm the SIAC, adding even greater lustre to an already vibrant arbitration scene. In 2008, SIAC administered 85 new cases. As at the end of August of this year, there were 72 new cases for 2009. In terms of value, the claims handled or held at the SIAC soared to almost S\$1.6 billion for the year 2008 – slightly over three times that of the S\$504 million in 2007. For 2009 (as of end of August), the SIAC has already handled claims totalling close to S\$700 million. These figures do not include arbitrations administered

by other arbitral institutions, such as the ICC-ICA, and other hoc arbitrations where Singapore is the neutral and popular venue of choice.

7 With Maxwell Chambers, the world's first fully integrated arbitration facility, now set up, Singapore has become an even more desirable venue for arbitration. A number of well-known industry players have relocated to Singapore. Law firms have expanded their arbitration practices, and two sets of premier barrister chambers will locate at Maxwell Chambers, along with other international arbitral institutes.

8 Sir, Singapore is well poised to be a leading arbitration centre and the proposed amendments will ensure that our regime will continue to be on par with that of other leading international arbitral jurisdictions.
